

Policy of Title Insurance



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY

Gary L. Kerubert

PRESIDENT

ATTEST

Mark L. Arnesen

SECRETARY



SCHEDULE A

Premium: \$to be determined

Amount of Insurance: \$to be determined

Policy Number: NCS-69560-WA3 - PROFORMA

Date of Policy: _____, 2004 at _____

1. Name of insured:

To Be Determined

2. The estate or interest in the land which is covered by this policy is:

Fee Simple

3. Title to the estate or interest in the land is vested in:

To Be Determined

4. The land referred to in this policy is described as follows:

Real property in the City of Lakewood, County of Pierce, State of Washington, described as follows:

That portion of the Northwest Quarter of Section 31, Township 20 North, Range 3 East, W.M., in Pierce County, Washington, more particularly described as follows:

Commencing at the Southwest corner of said Northwest Quarter of Section 31;
Thence North 89°37'30" East 35.00 feet;
Thence North 01°22'00" West 30.00 feet to the intersection of the East margin of South Tacoma Way with the margin of South 88th Street, this being the true point of beginning;
Thence North 89°37'30" East 365.47 feet to a point 40.00 feet East of the West line of said subdivision;
Thence parallel with said West line North 00°28'10" West 315.00 feet;
Thence South 89°37'30" West 65.00 feet;
Thence North 00°28'10" West 315.00 feet to the South margin of 86th Street;
Thence South 89°37'30" West 305.15 feet to the East margin line of South Tacoma Way;
Thence along said East margin South to the true point of beginning.

APN: 0320312099 and 0320312100

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART ONE

SECTION ONE

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

SECTION TWO

1. Liability, if any, for pro-rata portion of **Real Property** taxes which are carried on the Pierce County Tax Rolls, as tax account no. 0320312099, are exempt.
(Affects a portion)
2. Surface Water Management for the year 2004 in the amount of \$582.54 (APN 032031099)
3. Liability, if any, for pro-rata portion of **Real Property** taxes which are carried on the Pierce County Tax Rolls, as tax account no. 0320312100, are exempt.
(Affects the remainder)
4. Surface Water Management for the year 2004 in the amount of \$5,887.20 (APN 0320312100)
5. Easement, including terms and provisions contained therein:
Recording Information: March 7, 1940, Recording No. 1257428
In Favor of: Pacific Telephone and Telegraph Company
For: one guy stub and anchor
Affects: the legal description contained in said easement is not sufficient to determine its exact location within said premises

6. Easement, including terms and provisions contained therein:
Recording Information: April 5, 1972, Recording No. 2439010
In Favor of: Lakewood Water District
For: water main
Affects: 6 feet on each side of a described centerline
7. Easement, including terms and provisions contained therein:
Recording Information: May 18, 1972, Recording No. 2446069
In Favor of: Lakeview Light and Power Company
For: underground electrical lines
Affects: a portion
8. Easement, including terms and provisions contained therein:
Recording Information: June 27, 1972, Recording No. 2452233
In Favor of: Pierce County
For: sanitary sewerage system
Affects: the legal description contained in said easement is not sufficient to determine its exact location within said premises
9. Easement, including terms and provisions contained therein:
Recording Information: July 26, 1972, Recording No. 2456744
In Favor of: Lakewood Water District
For: water main
Affects: 5 feet on each side of a described centerline
10. The terms and provisions contained in the document entitled "Notice of Claim of Interest in the Property by Ecological Developers regarding Removal of Waste Water System" recorded April 27, 1976 as 2661816 of Official Records.
11. Easement, including terms and provisions contained therein:
Recording Information: 8811300178
In Favor of: Pacific Northwest Bell Telephone
For: underground communication lines and above ground telephone equipment and cabinets
Affects: refer to said instrument for the exact location
12. Easement, including terms and provisions contained therein:
Recording Information: 200001030445
In Favor of: Puget Sound Energy, Inc.
For: gas distribution system
Affects: a portion

NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.



2661816

1-2

NOTICE OF CLAIM OF INTEREST IN REAL PROPERTY

COMES NOW ECOLOGICAL DEVELOPERS, INC., a Washington corporation, and hereby gives notice of a claim to an interest in the following real property situated in Tacoma, Pierce County, Washington:

W660' of L+2 31-20-3

*EXCISE RATE ENHANCED STATE
MAURICE RAYMOND, Pierce Co. Treasurer
by *Deanne Kennedy**

That portion of Government Lot 2 in the NW 1/4 of Section 31, Township 20 North, Range 3 East of the W.M. more particularly described as follows: Commencing at the SW corner of said NW 1/4 of Section 31; thence North 89°37'30" east 35 feet; thence North 01°22'00" West 30 feet to the intersection of the East right of way line of South Tacoma Way with the North right of way line of South 88th Street, this being the true point of beginning; thence North 89°37'30" East 365.47 feet to a point 400 feet East of the West line of said subdivision; thence parallel with the West line of the North 00°28'10" West 315 feet; thence South 89°37'30" West 65 feet; thence North 00°28'10" West 189 feet; thence South 89°37'30" West 305.15 feet to the East right of way line of South Tacoma Way; thence along said East right of way line South 00°28'0" East 205.17 feet; thence continuing along said East right of way line South 1°22'0" East 298.88 feet to the true point of beginning, situate in the County of Pierce, State of Washington.

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That said claim of interest involves a waste removal system from the sewer system located on the above-described property as the same is evidenced by a written agreement between ECOLOGICAL DEVELOPERS, INC. and WESTERN PROPERTIES, a Partnership, and BEEF N BREW RESTAURANT, dated August 8, 1975.

That ECOLOGICAL DEVELOPERS, INC. reserves in said agreement the right to remove the waste disposal system upon thirty (30) days' notice.

DATED this 16 of April, 1976.

ECOLOGICAL DEVELOPERS, INC.

BY: *Richard G. Snelson*
RICHARD G. SNELSON, President

2661816

4-27-76